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SECURITY

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MISSION

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SEC FILE NUMBER
8 37792

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 6/1/01/04 AND ENDING 12/31/04  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Joseph Kosinsky, INC.

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

Joseph Kosinsky, Inc.  
400 Second Avenue  
New York, NY 10010  
(212) 532-8898

(No. and Street)

(City)

(State)

PROCESSED

MAR 17 2005

THOMSON  
FINANCIAL

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Joseph Kosinsky, President

(212) 532-8898  
(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Chan, William, J.

(Name — if individual, state last, first, middle name)

4211 8th Ave. Brooklyn, NY

(Address)

(City)

(State)

Zip Code

11232

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

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## OATH OR AFFIRMATION

I, Joseph Kosinsky, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Joseph Kosinsky, Inc., as of December 31, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Joseph Kosinsky  
Signature  
President  
Title

Elizabeth Arce  
Notary Public

2/19/05

ELIZABETH ARCE  
Notary Public, State of New York  
No. 5086144  
Qualified in Bronx County  
Commission Expires 3-23-2006

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

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(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) ☒ 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

E OF BROKER-DEALER

Joseph Koslinsky, Inc.  
400 Second Avenue  
New York, N.Y. 10010  
(212) 532-8898

SEC FILE NO.

8-37792

FIRM ID. NO.

019806

FOR PERIOD BEGINNING (MM/DD/YY)

01/01/04

AND ENDING (MM/DD/YY)

12/31/04

RESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

(No. and Street)

(City)

(State)

(Zip Code)

AE AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JOSEPH KOSINSKY, PRESIDENT

(Area Code)—Telephone No.

(212) 532-8898

AE(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

OFFICIAL USE

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS?

YES 40

NO ☒ 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

☒ 42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 19<sup>th</sup> day of Jan. 2005

Manual signatures of:

1) Joseph Kosinsky President  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

**ATTENTION**—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 781(a))

10-019806-M  
JOSEPH KOSINSKY, INC.  
400 SECOND AVENUE,  
NEW YORK, NY 10010

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report

Name (If individual, state last, first, middle name)

Chan, William, J.

70

ADDRESS

Number and Street

City

State

Zip Code

4211 8<sup>th</sup> Ave

Brooklyn

NY

11232

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Check One

☒ Certified Public Accountant

75

☐ Public Accountant

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☐ Accountant not resident in United States or  
any of its possessions

77

FOR SEC USE

DO NOT WRITE UNDER THIS LINE . . FOR SEC USE ONLY

WORK LOCATION	REPORT DATE. MM/DD/YY	DOC. SEQ. NO.	CARD				

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

JOSEPH KUSHINSKY, INC.  
400 SECOND AVENUE  
NEW YORK, N.Y. 10010

N 3

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STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND  
CERTAIN OTHER BROKERS OR DEALERS

as of (MM/DD/YY)

12/31/04

SEC FILE NO.

8-37792

Consolidated

Unconsolidated

99

98

198

199

## ASSETS

## Allowable

## Non-Allowable

## Total

1. Cash	\$ 6,931	200		\$ 6,931	750
2. Receivables from brokers or dealers:					
A. Clearance account		295			
B. Other		300	\$ 550		810
3. Receivables from non-customers		355	600		830
4. Securities and spot commodities owned, at market value:					
A. Exempted securities		418			
B. Debt securities		419			
C. Options		420			
D. Other securities		424			
E. Spot commodities		430			850
5. Securities and/or other investments not readily marketable:					
A. At cost	\$ 36,050	130			
B. At estimated fair value		440	36,050	610	36,050
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:		460	630		880
A. Exempted securities	\$ 150				
B. Other securities	\$ 160				
7. Secured demand notes:		470	640		890
market value of collateral:					
A. Exempted securities	\$ 170				
B. Other securities	\$ 180				
8. Memberships in exchanges:					
A. Owned, at market	\$ 190				
B. Owned, at cost			650		
C. Contributed for use of the company, at market value			660		900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships		480	670		910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization		490	876	680	876
11. Other assets		535	66	735	930
12. TOTAL ASSETS	\$ 6,931	540	\$ 36,072	740	\$ 43,923

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

JOSEPH KOSINSKY, INC. PART IIA

400 SECOND AVENUE  
NEW YORK, N.Y. 10010

BROKER OR DEALER

as of

12/31/04

## STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS

### LIABILITIES AND OWNERSHIP EQUITY

#### Liabilities

#### A.I. Liabilities

#### Non-A.I. Liabilities

#### Total

1. Bank loans payable.....	\$	1045	\$	1255	\$	1470
2. Payable to brokers or dealers:						
A. Clearance account.....		1114		1315		1560
B. Other.....	Y	1115		1305		1540
3. Payable to non-customers.....		1155		1355		1610
4. Securities sold not yet purchased, at market value.....				1360		1620
5. Accounts payable, accrued liabilities, expenses and other.....		1205		1385		1685
6. Notes and mortgages payable:						
A. Unsecured.....		1210				1690
B. Secured.....		1211	Y	1390	Y	1700
7. Liabilities subordinated to claims of general creditors:						
A. Cash borrowings:				1400		1710
1. from outsiders Y \$		970				
2. Includes equity subordination (15c3-1 (d)) of .... \$		980				
B. Securities borrowings, at market value:...				1410		1720
from outsiders \$		990				
C. Pursuant to secured demand note collateral agreements:.....				1420		1730
1. from outsider: \$		1000				
2. Includes equity subordination (15c3-1 (d)) of .... \$		1010				
D. Exchange memberships contributed for use of company, at market value.....				1430		1740
E. Accounts and other borrowings not qualified for net capital purposes.....		1220		1440		1750
8. TOTAL LIABILITIES.....	\$	1230	\$	1450	\$	1760

#### Ownership Equity

1. Sole proprietorship.....	Y		\$	1770
2. Partnership (limited partners.....)	Y	1020		1780
3. Corporation:				
A. Preferred stock.....				1791
B. Common stock.....				1792
C. Additional paid-in capital.....				1793
D. Retained earnings.....				1794
E. Total.....				1795
F. Less capital stock in treasury.....	Y			1796
9. TOTAL OWNERSHIP EQUITY.....			\$	43,923
10. TOTAL LIABILITIES AND OWNERSHIP EQUITY.....			\$	43,923

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

JOSEPH KOSINSKY, INC.  
400 SECOND AVENUE  
NEW YORK, N.Y. 10010

as of \_\_\_\_\_

STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING  
AND CERTAIN OTHER BROKERS OR DEALERS

N/A

LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities*	Non-A.I. Liabilities*	Total
13. Bank loans payable.....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account.....	1114	1315	1560
B. Other.....	1115	1305	1540
15. Payable to non-customers.....	1155	1355	1610
16. Securities sold not yet purchased, at market value.....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other.....	1205	1385	1685
18. Notes and mortgages payable:			
A. Unsecured.....	1210		1690
B. Secured.....	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders \$ 970			
2. Includes equity subordination (15c3-1 (d)) of .... \$ 980			
B. Securities borrowings, at market value:...		1410	1720
from outsiders \$ 990			
C. Pursuant to secured demand note collateral agreements:.....		1420	1730
1. from outsider: \$ 1000			
2. Includes equity subordination (15c3-1 (d)) of .... \$ 1010			
D. Exchange memberships contributed for use of company, at market value.....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes.....	1220	1440	1750
20. TOTAL LIABILITIES.....	\$ 1230	\$ 1450	\$ 1760

Ownership Equity

21. Sole proprietorship.....		\$ 1770
22. Partnership (limited partners).....	\$ 1020	1780
23. Corporation:		
A. Preferred stock.....		1791
B. Common stock.....		1792
C. Additional paid-in capital.....		1793
D. Retained earnings.....		1794
E. Total.....		1795
F. Less capital stock in treasury.....		1796
24. TOTAL OWNERSHIP EQUITY.....		\$ 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY.....		\$ 1810

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

 JOSEPH ROBINSON, INC.  
 400 SOUTH AVENUE  
 NEW YORK, N.Y. 10010

 For the period (MMDDYY) from 010104 3932 to 123104 3933  
 Number of months included in this statement 12 mos 3931

## STATEMENT OF INCOME (LOSS)

## REVENUE

## 1. Commissions:

a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$	3935
b. Commissions on listed option transactions	Y	3938
c. All other securities commissions		3939
d. Total securities commissions		3940

## 2. Gains or losses on firm securities trading accounts

a. From market making in options on a national securities exchange		3945
b. From all other trading		3949
c. Total gain (loss)		3950

## 3. Gains or losses on firm securities investment accounts

		3952
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## 4. Profit (loss) from underwriting and selling groups

	Y	3955
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## 5. Revenue from sale of investment company shares

	363	3970
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## 6. Commodities revenue

		3990
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## 7. Fees for account supervision, investment advisory and administrative services

	62	3975
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## 8. Other revenue

		3995
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## 9. Total revenue

	\$ 424	4030
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## EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers	\$	4120
--	----	------

11. Other employee compensation and benefits	Y	4115
--	---	------

12. Commissions paid to other broker-dealers		4140
--	--	------

13. Interest expense		4075
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a. Includes interest on accounts subject to subordination agreements	4070	
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14. Regulatory fees and expenses	820	4195
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15. Other expenses	20337	4100
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16. Total expenses	\$ 21287	4200
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## NET INCOME

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)	(LOSS) (20,863)	4210
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18. Provision for Federal income taxes (for parent only)	Y	4220
--	---	------

19. Equity in earnings (losses) of unconsolidated subsidiaries not included above		4222
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a. After Federal income taxes of	4238	
----------------------------------	------	--

20. Extraordinary gains (losses)		4224
----------------------------------	--	------

a. After Federal income taxes of	4239	
----------------------------------	------	--

21. Cumulative effect of changes in accounting principles		4223
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22. Net income (loss) after Federal income taxes and extraordinary items	(LOSS) (20,863)	4230
--	-----------------	------

## MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$ (10,339)	4211
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# FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT

## PART IIA

OKER OR DEALER

JOSEPH ROSENBERG, INC.  
400 Second Avenue  
New York, NY 10010  
(212) 532-8892

as of 12/31/04

### COMPUTATION OF NET CAPITAL

Total ownership equity from Statement of Financial Condition .....	\$	43,923	3480
Deduct ownership equity not allowable for Net Capital .....	19	( )	3490
Total ownership equity qualified for Net Capital .....		43,923	3500
Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital .....			3520
B. Other (deductions) or allowable credits (List) .....			3525
Total capital and allowable subordinated liabilities .....	\$		3530
Deductions and/or charges:			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C) \$	17	36,050	3540
B. Secured demand note deficiency .....			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges .....			3600
D. Other deductions and/or charges .....		(Money Market haircuts) 136	3610
Other additions and/or allowable credits (List) .....			3630
Net capital before haircuts on securities positions .....	20	\$ 7,737	3640
Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments .....	\$		3660
B. Subordinated securities borrowings .....			3670
C. Trading and investment securities:			
1. Exempted securities .....	10		3735
2. Debt securities .....			3733
3. Options .....			3730
4. Other securities .....			3734
D. Undue Concentration .....			3650
E. Other (List) .....			3736
Net Capital .....	\$	7,737	3750

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# FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

## PART IIA

BROKER OR DEALER

 EASTERN EQUITY, INC.  
 400 SEC ST. SUITE 200  
 NEW YORK, N.Y. 10010

as of

12/31/04

## Exemptive Provision Under Rule 15c3-3

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

- A. (k) (1)—<sup>10,000</sup>~~50,000~~ capital category as per Rule 15c3-1 ..... ☒ 4550
- B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained ..... 4560
- C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm 4335 ..... 4570
- D. (k) (3)—Exempted by order of the Commission ..... 4580

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

JOSEPH KOSINSKY, INC.  
400 SECOND AVENUE  
NEW YORK, NY 10010  
(212) 532-8500

as of

12/31/04

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$		3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	3760
14. Excess net capital (line 10 less 13)	\$	2,736	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	2,737	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.L. liabilities from Statement of Financial Condition	\$	0	3790
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	
19. Total aggregate indebtedness	\$	0	3840
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	0	3850
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	0	3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

N/A

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debts	\$		3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3760
25. Excess net capital (line 10 less 24)	\$		3910
26. Net capital in excess of:			
5% of combined aggregate debit items or \$120,000	\$	0	3920

OMIT PENNIES

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debts if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed  
Withdrawal or  
Accrual  
See below for  
code to enter

Name of Lender or Contributor

Insider or  
Outside?  
(In or Out)

Amount to be With-  
drawn (cash amount  
and/or Net Capital  
Value of Securities)

(MMDDYY)  
Withdrawal or  
Maturity  
Date

Expect  
to  
Renew  
(yes or no)

4600	4601	4602	4603	4604	4605
4610	4611	4612	4613	4614	4615
4620	4621	4622	4623	4624	4625
4630	4631	4632	4633	4634	4635
4640	4641	4642	4643	4644	4645
4650	4651	4652	4653	4654	4655
4660	4661	4662	4663	4664	4665
4670	4671	4672	4673	4674	4675
4680	4681	4682	4683	4684	4685
4690	4691	4692	4693	4694	4695

TOTAL \$

4699

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Instructions: Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

WITHDRAWAL CODE: DESCRIPTION

1. Equity Capital
2. Subordinated Liabilities
3. Accruals
4. 15c3-1(c)(2)(iv) Liabilities

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

400 Second Avenue  
New York, NY 10010  
(212) 602-6500For the period (MMDDYY) from 01/01/04 to 12/31/04STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
- (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period.....	\$	49,786	4240
A. Net income (loss).....		20,863	4250
B. Additions (Includes non-conforming capital of <u>A.P.C.</u> .....)	\$	15,000	4260
C. Deductions (Includes non-conforming capital of.....)	\$		4270
2. Balance, end of period (From item 1800).....	\$	43,223	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period.....	\$	0	4300
A. Increases.....		0	4310
B. Decreases.....		0	4320
4. Balance, end of period (From item 3520).....	\$	0	4330

OMIT PENNIES

Joseph Kosinsky, Inc.  
Statement of Cash Flow  
For the twelve Months Ended December 31, 2004

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ <20,862.68>	\$ <20,862.68>
Adjustments to reconcile net income to net cash provided by operating activities		
Accum. Depreciation - Furnitur	350.56	350.56
Total Adjustments	350.56	350.56
Net Cash provided by Operations	<20,512.12>	<20,512.12>
Cash Flows from investing activities		
Used For		
Net cash used in investing	0.00	0.00
Cash Flows from financing activities		
Proceeds From		
Paid-in Capital	15,000.00	15,000.00
Used For		
Net cash used in financing	15,000.00	15,000.00
Net increase <decrease> in cash	\$ <5,512.12>	\$ <5,512.12>
Summary		
Cash Balance at End of Period	\$ 42,980.93	\$ 42,980.93
Cash Balance at Beg of Period	<52,969.33>	<48,493.05>
Net Increase <Decrease> in Cash	\$ <9,988.40>	\$ <5,512.12>

~~Unaudited - For Internal Use Only.~~

JK

JOSEPH KOTINSKY, INC.  
400 SECOND AVENUE  
NEW YORK, N.Y. 10010

For the twelve Months Ended December 31, 2004

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ <20,862.68>	\$ <20,862.68>
Adjustments to reconcile net income to net cash provided by operating activities		
Accum. Depreciation- Furnitur	350.56	350.56
Total Adjustments	350.56	350.56
Net Cash provided by Operations	<20,512.12>	<20,512.12>
Cash Flows from investing activities		
Used For		
Net cash used in investing	0.00	0.00
Cash Flows from financing activities		
Proceeds From		
Paid-in Capital	15,000.00	15,000.00
Used For		
Net cash used in financing	15,000.00	15,000.00
Net increase <decrease> in cash	\$ <5,512.12>	\$ <5,512.12>
Summary		
Cash Balance at End of Period	\$ 42,980.93	\$ 42,980.93
Cash Balance at Beg of Period	<52,969.33>	<48,493.05>
Net Increase <Decrease> in Cash	\$ <9,988.40>	\$ <5,512.12>

Unaudited - For Internal Use Only

January 19, 2005

Joseph Kosinsky, Inc.  
400 Second Avenue  
New York, New York 10010

SEC # 8-37792, NASD # 19806

The firm operates pursuant to exemptive provisions of SEC Rule 15 c 3-3 (k) (1). Therefore, it is not required to calculate the following:

(h) Computation for Determination of Reserve Requirements Pursuant to Rule 15 c 3-3.


(i) Information Relating to the Possession or Control Requirements Under Rule 15 c 3-3.

(j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital under Rule 15 c 3-1. No differences are noted. Computation for Determination of the Reserve Requirements under exhibit A of Rule 15 c 3-3. Exempt.

(k) A Reconciliation between the audited and unaudited Statements of financial Condition with respect to methods of consolidation. No difference between December 31, 2004 unaudited and audited Net Capital.

(m) Exclusion claimed from membership in SIPC under Section 78 ccc (a) (2) (A) (ii) under SIPA of 1970 and filed on January 12, 2005.

(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit. No audit difference.



William J. Chan, CPA  
4211 8th Avenue  
Brooklyn, NY 11232  
(718) 437-1816



WILLIAM J. CHAN, CPA  
4211 8<sup>TH</sup> AVENUE  
BROOKLYN, NEW YORK 11232  
(718) 437-1816

INDEPENDENT AUDITORS' REPORT

January 19, 2005

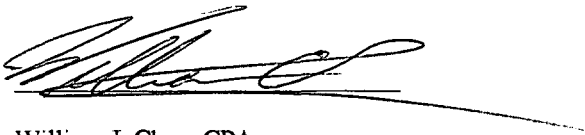
To the Shareholder and Board of Directors of  
Joseph Kosinsky, Inc.  
400 Second Avenue  
New York, New York 1010

I have audited the accompanying statement of financial condition of Joseph Kosinsky, Inc. (the "Company") as of December 31, 2004, and the related statements of operations, changes in shareholders' equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of Joseph Kosinsky, Inc., as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of computation of net capital is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in dark ink, appearing to read 'William J. Chan', with a long horizontal line extending to the right.

William J. Chan, CPA

**WILLIAM J. CHAN, CPA**  
4211 8TH AVENUE  
BROOKLYN, NY 11232  
(718) 437-1816

January 19, 2005

Joseph Kosinsky, President  
Joseph Kosinsky, Inc.  
400 Second Avenue  
New York, New York 10010

Dear Mr. Kosinsky:

In planning and performing our audit of the financial statements of Joseph Kosinsky, Inc. for the year ended December 31, 2004, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the unconsolidated financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g) (I) of the Securities and Exchange Commission, we made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of net capital under Rule 17a3(a) (11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance

with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

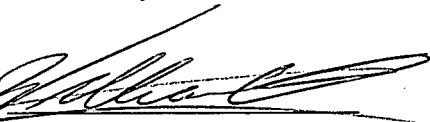
Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2004 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

Yours truly,



WILLIAM J. CHAN, CPA

**Securities Investor Protection Corporation**  
805 15th Street NW, Suite 800  
Washington, DC 20005-2215

**Forwarding and Address Correction Requested**

8-037792

NASD

DEC

JOSEPH KOSINSKY INC  
400 SECOND AVE STE 20B  
NEW YORK, NY 10010

**Form SIPC-3**

**FY 2005**

**Check appropriate boxes.**

- ☒ (i) the distribution of shares of registered open end investment companies or unit investment trusts.
- ☒ (ii) the sale of variable annuities.
- ☒ (iii) the business of insurance.
- ☐ (iv) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts.

**Pursuant to the terms of this form (detailed below).**

X Joseph Kosinsky  
Authorized Signature/Title

1/12/05  
Date

Securities Investor Protection Corporation  
805 15th Street NW, Suite 800  
Washington, DC 20005-2215

⑈000000003⑈ ⑆000037792⑆ 0000 2005⑈

**Form SIPC-3**

**FY 2005**

8-037792

NASD

DEC

JOSEPH KOSINSKY INC  
400 SECOND AVE STE 20B  
NEW YORK, NY 10010

**Check appropriate boxes.**

- ☒ (i) the distribution of shares of registered open end investment companies or unit investment trusts.
- ☒ (ii) the sale of variable annuities.
- ☒ (iii) the business of insurance.
- ☐ (iv) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts.

***Certification of Exclusion From Membership.***

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A)(ii) OF THE SECURITIES shall file this form no later than 30 days after the effective date of their membership in a self regulatory INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the year ending **December 31, 2005** its business as a broker-dealer is expected to consist exclusively of one or more of the following:

- (i) the distribution of shares of registered open end investment companies or unit investment trusts;
- (ii) the sale of variable annuities;
- (iii) the business of insurance;
- (iv) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;

and that, therefore, under section 78ccc(a)(2)(A)(ii) of the SIPA it is excluded from membership in SIPC.

The following bylaw was adopted by the Board of Directors:

**Interest on Assessments.** If all or any part of an assessment payable under Section 4 of the Act has not been received by the collection agent within 15 days after the due date thereof, the member shall pay, in addition to the amount of the assessment, interest at the rate of 20% per annum of the unpaid portion of the assessment for each day it has been overdue. If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A)(ii) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under Section 78ddd(c) of the SIPA.

Sign, date and return the top portion of this form no later than 30 days after the beginning of the year, using the enclosed return envelope.

Retain the bottom portion of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.